

A Work Project, presented as part of the requirements for the Award of a Master Degree in Management from the NOVA – School of Business and Economics.

Which communication strategy should a male luxury (fashion) brand – associated with a luxury car brand – develop, in order to increase its awareness in Europe

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Abstract

This work project explores how a male luxury (fashion) brand (subsidiary) that is associated with a luxury car brand (parent company) should develop its communication strategy in order to increase awareness in Europe. For this purpose a quantitative research was conducted. The aim was to find out whether the company in question had low brand awareness among European luxury consumers. Hereafter, a qualitative research revealed important insights in regard to luxury communication among male luxury consumers. Both the results of the research and the recommendations of luxury experts laid the foundation for the development of a solution-oriented communication strategy. The result of the analysis crystallizes the importance of the shared heritage and the synergistic effects, of which the subsidiary should make vast use when communicating.

Keywords: Luxury, Car, Communication Strategy, Brand Awareness

1. Introduction

Porsche Design¹ is a German luxury brand of high-end fashion and accessories. Since its establishment in 1972, PD products represent functional, timeless and purist design. This design is combined with cutting-edge technical innovations. PD products are sold worldwide exclusively in PD stores, top-quality department stores and luxury retail outlets. By the end of 2015 the total number of worldwide stores accounted for over 150. It is Ferdinand Alexander Porsche, son of Ferry Porsche and grandson of Ferdinand Porsche, who laid the foundation of the company PD. After having designed the legendary Porsche 911 sports car in 1963, he embarked, about 10 years later, on a mission that is still driving people today - to build a company that takes the spirit of Porsche beyond the automotive, creating a new luxury lifestyle for men and women. The company, as it is today, is a majority-owned subsidiary of Porsche AG – subsidiary of the Volkswagen Group. In June 2014 PD nominated a new CEO, whose plan is to focus more on the male segment (Appendix 1). (Heyne, 2012).

The objective of this work project is to explore which communication strategy a male luxury (fashion) brand – associated with a luxury car brand – should develop, in order to increase its awareness² in Europe. The project is based on the case PD.

The idea of elaborating the above mentioned issue was born during an internship at the Global Brand Management department of PD. When being asked where I completed my internship, PD was mistakenly associated with the design department of the car brand Porsche. After having put this fact and the restructuring of the new CEO together, the issue for my final work project became obvious.

2. Background

In accordance with recent numbers of the research company Euromonitor, the market share of PD in Europe ranges from extremely low to non-existent. The market shares of the categories,

¹ Is abbreviated with “PD” for the rest of the thesis

² Awareness in terms of brand awareness for the rest of the thesis

in which PD products are represented, are listed below (% in luxury volume in 2013): Luxury Travel Goods: Switzerland (3,3%); Luxury Electronic “Gadgets”³: Germany (9,3%), Switzerland (2,0%), UK (3,1%) Luxury Writing Instruments and Stationery: Switzerland (5,3%).⁴

2.1. History, heritage and relationship to the parent company Porsche AG

The peculiarities that characterize PD are closely connected to its founder Ferdinand Alexander Porsche, his personality and his personal history. Born on December 11th, 1935 Ferdinand Alexander was spending countless hours of his childhood in the Stuttgart design office and development workshops of his grandfather, Ferdinand. The miserable circumstances – brought along through World War II in Germany – forced the entire family and the company to move to Austria in 1943 where he started to go to school. Meanwhile his father Ferry began work on his first sports car, which became the Porsche 356. Only in 1950, after the situation in Germany had calmed down, the family returned to Stuttgart. Soon he started studying at the College of design in Ulm before joining the family firm as a designer in 1958. His first great challenge was the designing of what would become the Porsche 911, making him the father of the iconic sports car. The early 1970s were a time of transition for the company. Porsche KG becomes a joint stock company under the name Porsche AG and the family withdraws from business operations. Ferdinand Alexander Porsche retains his seat on the Supervisory Board but is forced to relinquish his position as head designer to comply with rules. In 1972, driven more by the need of the creating urge than of profitable business idea, he founded PD in Stuttgart. It is the parent company itself to commission the first project – a watch, which was given as a gift to loyal employees. Consequently Ferdinand Alexander and his small team spent most of their time working on pursuits that interested them personally: watches, glasses, pipes or writing utensils. In 1974 Ferdinand felt drawn

³ “Gadgets” = Accessories

⁴ Passport – Euromonitor International (November 2015)

back to his childhood home and built the PD Studio in Zell am See⁵. There he used his financial independence to design products the way he thought they were right – no large volumes, high-quality materials, and little attention to the costs of industrial production.

In all these years, there have been practically no structured business ties to the sports car maker up in Stuttgart. Two premium brands from one family united not only by a plethora of common interests but also the exact same target demographic, nevertheless act completely independently of one another (PD Homepage, 2015). A detailed overview of VW's subsidiary Porsche and its subsidiaries is illustrated in Appendix 2.

2.2. Current Product Range

The current product portfolio includes classic men's and women's accessories, watches, sunglasses, a line of men's fragrances, luggage, a sport and fashion clothing collection, mobile phones and the PD towers⁶ in Miami and Frankfurt (Appendix 3).

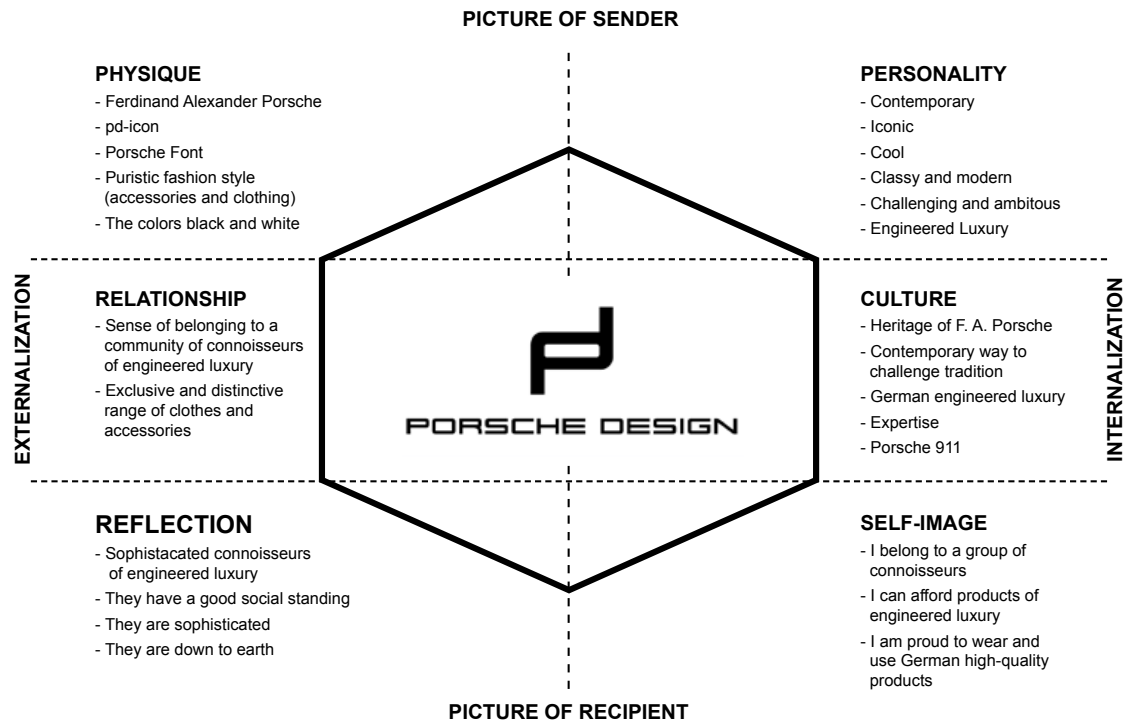
2.3. Current Brand Identity

In order to best understand the brand PD, it is important to delineate the brand identity. A unique set of brand associations that the brand strategist aspires to create and maintain to make brand meaningful and timeless (Kapferer, 2012). For this purpose we used Kapferer's brand identity prism, which incorporates a set of aspirational features (Appendix 4). It is important to mention that the brand identity of PD is strongly connected to the parent company's Porsche AG, as both have the same heritage. Furthermore it is important to state that PD understands luxury not in the context of excessive pricing. Luxury is rather understood as *engineered luxury* meaning high quality, technically inspired with longevity and honesty. This engineered luxury is applied to the fashion and accessories of PD.

⁵ Since November 2015 "Studio F.A. Porsche".

⁶ These PD towers set innovative new standards in the luxury building market with its unique design and integration of a specially developed and patented car lift, with which a car can be parked in the very own living room.

Figure 1: Brand Identity Prism of Porsche Design



Source: Patrizio Iaquinandi, based on Kapferer 2012

2.4. Consumers

Based on the research illustrated in the official Brand Book 2014, the average age of the PD consumer is 42 years. With 75% of customers being male and 25% female, PD is clearly male driven. The average income of the PD customer is 100,000 € p.a. The aspirational PD man is a free-spirited and independent individual, thus fighting for the things he loves. His character traits are down-to-earth and unpredictable, classy and modern, challenging and ambitious. He takes challenges and breaks limits, striving to outperform himself. He is body-conscious and eager to stay in shape. Two different styles reflect his everyday life: Appropriately for formal occasions and a more youthful and laid-back style in his leisure time. The aspirational PD woman is self-confident, eager, expects a lot from life and has high personal goals. Her character traits are classy and modern, caring and self-confident, unique and feminine. She likes culture and getting to know inspiring people. She enjoys discovering new trends and has a great sense of style that is apparent even in the smallest details. (Heyne, 2012).

3. Current Communication Strategy of Porsche Design

This section presents the current communication strategy of PD. Starting with advertising, PD is putting a lot of effort in traditional media advertising, such as advertisings in high-gloss- and business magazines (Appendix 5). Through these means PD especially communicates its electronic devices, watches, fragrances and luggage sections. Additionally PD develops leaflets and brochures for each product, handing them out in every retail store around the world. Films are only shot for monitors that are installed in stores around the world showing high-quality product videos on repeat. In the field of online advertising, PD is present on the Internet with an official homepage (Appendix 6), including e.g. brand and product videos, an online shop, and newsletter subscription. Furthermore PD makes use of different social media channels, such as Instagram (Appendix 7), Facebook or Twitter. Talking about out of home advertising, PD makes solely use of point of purchase material and advertising. Product placement has already been made with the key products – such as the smartphone P’9981 in *The Judge*, *Gone Girl* or *CSI: Vegas & Elementary* (Appendix 8). Regarding promotional activities, PD activates its most loyal consumers through incentives like VIP cards, giving them discounts on specific products. What is more, PD develops special mailings (e.g. Christmas mailings), offering different products in a bundle. In the area of event marketing, PD is putting effort by means of store events that are taking place on a regular basis. For design night-, opening- or new product launch purposes, PD organizes events in their own retail stores around the world, sending exclusive invites to loyal customers through evites (electronic invite) or high-quality printed invites. Not only the global marketing director or the CEO himself are present at most of these events, but also VIPs are invited to join the exclusive events. Additionally PR is in constant one way contact with its customers via monthly newsletters or news releases in respective magazines. PD also fosters collaboration with luxury hotels, gyms or singers. With regard to celebrities, PD collaborated with famous

personalities, such as Jose Mourinho, Xabi Alonso, or Marc Webber for various campaigns (Appendix 9). PD not only co-brands with Adidas for its sports collection, but also benefits from collaborations for its smartphones with BlackBerry or for its writing tools with Pelikan. It also profits from the know-how of licensing partners for glasses, luggage and bags. PD watches are produced by the very own PD Timepieces AG based in Switzerland.

4. Literature Review

In this section we first define the relevant main concepts associated to the luxury business models that are used in this project. Then we present a literature review of how academic experts in luxury recommend luxury brands to communicate. This section is particularly important, because it provides insight in relation with the communication strategy of luxury brands, which is the base argument of this work project.

4.1. Definition of the main theoretical concepts used in this work

Luxury: According to the most recent research (Burmman et al., 2012), different approaches to the definition of luxury coexist in the literature. Based on Jean-Noël Kapferer (2012) we can classify the concept of luxury into four different main approaches. 1. *Luxury relies on traditional qualities* e.g. physical rarity (scarcity) of the offer, multisensory and strong human content. 2. *Luxury as a distance*, where luxury expresses the distance (the gap) between desire and access. To say it with Dubois and Paternaults' words (1995): "The desirability of a luxury brand is correlated with the difference between brand awareness and brand penetration." An artificial rarity is created by limited volumes, high prices, limited distribution, and waiting lists. 3. *Luxury as the creator's light*. The brand expresses the aura (the light) of the creator. It is a charismatic legitimacy based on an exceptionally charismatic persona that can both be the very brand founder or the artistic director who designs the products. 4. *Luxury as new social marker*. Luxury today creates a social stratification in countries in which it did not exist previously. In today's World, hierarchies rely on possession and luxury brands. These

hierarchies are important to identify how high people stand or wish to be perceived.

Luxury Brand: Having defined the concept of luxury, we now combine it with the term “brand”. A general definition of the concept “brand” was given by the American Marketing Association in 1960 stating that a brand is a name, term, sign, symbol or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. Despite the fact that we are surrounded by luxury brands on a daily basis, it is, nevertheless, difficult to define the expression “luxury brand”, since it is a subjective and relative concept (Burmann et al., 2012). According to Nueno and Quelch (1998) luxury brands are “those whose ratio of functionality to price is low, while the ratio of intangible and situational utility to price is high”. Another very interesting and summarizing explanation was developed by Kapferer (2012) and reinforced by Burmann et al. (2012), who define a luxury brand as a concept that combines status and substance. Thus we can say that luxury brands satisfy not only functional but also psychological needs, and the psychological benefits seem to be the main distinguishing factor.

Fashion: For the purpose of this work project we base the definition of the Fashion concept on Godart’s research (2012). According to this author fashion is a specific type of social change deployed across multiple domains of social life beyond clothing. Individuals indicate their social affiliations through clothes, which constitute a central, yet not unique, element of their identity. Consequently fashion can be connected to luxury as it differentiates people in the society. Both luxury and fashion respond to the need to appear different and be differentiated socially. While luxury creates a vertical sense of differentiation, fashion creates a horizontal sense of differentiation. Allowing consumers to be recognized as a member of a certain tribe (Da Silveira, 2015).

Brand Awareness: Brand awareness is one of the main tools for consumers when assessing products (Aaker, 1991). From Keller’s model, brand awareness consists of brand recognition

and brand recall. Brand recognition requires that consumers can correctly distinguish the brand as having been previously seen or heard. Brand recall requires that consumers correctly generate the brand from memory (Keller, 2003). Aaker (1996) indicated that brand awareness could influence consumers' perceptions and attitudes, as well as drive the choice and loyalty of a brand. This study applies brand recognition (in terms of logo/icon recognition) and brand recall as research indicators for brand awareness.

4.2. Communication Strategy of Luxury Brands

In this subsection we review communication concepts for luxury that are relevant for this work project. Communication in luxury works differently compared to traditional communication strategy for mass-market brands (Kapferer, 2012; Chevalier/Mazzalovo, 2012; Espinoza, 2014). It is important to mention from the very beginning that in luxury, communication is often not developed in order to sell, but rather to create the dream and to recharge the brand's value. Product and brand universe are presented in a dreamlike way, in order for people to identify with a brand and consequently find their personal share of the dream. The following concepts are based on Kapferer (2012) and – when needed – reinforced by other experts.

Communication is done especially because the product sells: In luxury each product sold carries a portion of the dream, which weakens the brand. Therefore it is important to constantly recharge it by compensating this structural effect of image dilution, created by commercial success (Kapferer, 2012).

Communicate, don't advertise!: The figure in Appendix 10 shows that importance of the means of communication varies with the respected pyramid level. Looking at the pyramid, one could think that buying pages in glossy magazines might not seem important in luxury communication, however for some product categories the opposite is correct. Especially fashion magazines are suitable as they reflect the right projected target. Furthermore hotel and

in-flight magazines, cultural/lifestyle/art or architecture magazines can be chosen for advertising purposes of luxury brands (Chevalier/Mazzalovo, 2012). Nevertheless it is actually more important to be present in magazines in terms of press relations and public relations and thus, everything the brand does, has to be “PR-able”.

A brand that is not spoken about, that is not mentioned, whether in films or on television, and not carried by a celebrity who is then caught on camera – is that really a brand that counts?

Kapferer, 2012

However most magazines only offer space for articles, if luxury brands buy advertising in that magazine. Those that do not advertise do not get any articles (Chevalier /Mazzalovo, 2012).

Make smart use of passive advertising: Perfume and cosmetics – having the proper advertising budget – are the only two product categories that use the great variety of media. Also, they can be found in integrated perfumery chains, and do thus delegate to traditional marketing institutions (Chevalier/Mazzalovo, 2012). As most of the other mass media (e.g. TV) are passive channels, and luxury actively seeks the participation and active membership from the client, they do not meet this requirement and are hence not suitable (Kapferer, 2012).

Great deal of event PR and cultural sponsorship: Luxury customers must feel that they are part of a club and thus events have to be organized to reinforce this sense of belonging. There are three categories of events: Those that are directly organized by the brand (fashion shows, store openings, exhibition etc.); Sponsored events (Louis Vuitton Cup or Grand Prix de Diane by Hermés), and events or ceremonies like the Cannes Festival at which luxury brands can have high visibility (Chevalier/Mazzalovo, 2012). Sponsorship and patronage are both equally legitimate for a luxury brand. However only if there is coherence with the brand – otherwise it makes no sense. The same counts for the sponsorship of events. There has to be coherence with the whole brand universe. Furthermore it is important that a luxury brand does not disperse itself across multiple events in multiple sectors, but concentrate fully on a single universe. (Kapferer, 2012; Okonkwo, 2007).

Keep the aesthetics constantly stable: In most cases many years pass by between the first contact with a certain brand and the first purchase. Thus strategic and aesthetic coherence of the communication is crucial (Kapferer, 2012). Also when consumers think of a true luxury brand, they think of it as a whole set of visual icons, patterns and even concepts. Thus a constant repetition of a luxury brand's visual elements is important (Espinoza, 2014).

Personalities in advertisings can in some cases be harmful: A luxury brand has to develop a personal relationship with the client without any interference. The imitation of a third person, through personalities, is not sought after in luxury. In fact using personalities in advertising can be harmful as it separates the direct affective client-brand relationship by replacing it with the affective client-star relationship. The use of significant personalities might appear in advertising of markets other than personal apparel such as cars, cruises, hotels, or for very technical products like watches or jewellery. The brand is desired for itself, and not only because somebody desires the desire of someone else for it. Often, the conspicuous use of a star is a way to hide the absence of creative ideas (Kapferer, 2012).

The role of brand ambassadors: There is a huge difference between paying a star to appear in an advertisement – as we have just discussed – and using a famous personality as a brand testimonial user. The latter is showing a personality in his or her everyday life using or wearing a product. The increments of the concept of “star”, “ambassador” and “testimonial” are important.⁷ In luxury it is not recommended to use a “star” or a “unique ambassador” whose recognition hides the brand, by suggesting that the star's status is higher than that of the brand. Consequently it should be used a “testimonial” by showing that highly respected people use a brand's products in his or her every day life and so confirming these product's status as common products for exceptional people. By doing so, the power of the brand is recognized (Kapferer, 2012).

⁷ **Brand ambassador:** Single person is paid to serve as an emblem of the brand, exclusively, and for a given period. **Testimonial:** Various different personalities testify at the same time that they use the product normally and not exclusively.

Building the social driver of desire: As we have already discussed in previous points, the permanent recreation of distance is key in luxury. It is indeed the social function that proves that luxury gives access to this exclusive circle of a few selected who truly share the brands' belief (Espinoza, 2014). Key manifestation of a club are e.g. exclusive member clubs or exclusive and incomparable events of luxury brands. They legitimize the brand's status as a creator of taste and create this social distance through the game of inclusion and exclusion, which again creates the social distance that we have explained before (Kapferer, 2012).

Encourage word-of-mouth: The most important consequence of such an event is that media talks about it and thus creates a buzz. Word-of-mouth is especially effective when implemented through an opinion leader or expert in the field of luxury. Whatever the brand is doing should be made use of in press relations. It is therefore necessary to make sure that media is constantly fed with news, stories, events, facts etc. (Okonkwo, 2007; Kapferer, 2012).

Profit from the growing Internet and Social Media: Luxury brands were long reluctant to use the new medium, as one of the specificities of luxury is precisely the multisensory experience (Chevalier/Mazzalovo, 2012). However, the online experience is also an opportunity to engage and deepen the brand's relationship with customers. Luxury brands have to educate their client in order to deliver their difference. The Internet offers great opportunities to unveil the true content of luxury brands in an emotional way. Nevertheless, being present on the Internet makes the brand more vulnerable as the risk to damage it is very high by rumours being spread very rapidly (Kapferer, 2012).

Creating communities and co-creating with them: In order for newcomers to discover the brand, it is important to have a community of fans. It reassures the existing customers that others share their passion, and gives them the opportunity to get non-biased information from the already existing community. Feedback is especially important, because it reinforces the link between the brand and the customer and because brands get only their

customer's opinion and feedback. (Kapferer, 2012).

***Social media*⁸:** A research conducted by Jahn et al. in 2012 shows that brand pages on Facebook, Twitter, YouTube etc. are more than just a tool to connect brand fans. They are also important for the acquisition of new fans. While back in the days customers were passive receivers of relationship activities, today customers engage and act as co-creators and multipliers of the brand message. This on the other side might also implicate some risks. Luxury brand pages usually have significantly more fans than actual buyers. The conception of being a fan of an incomparable, elitist brand, can suffer under the large number of members, particularly if these behave inadequately (Jahn et al., 2012).

The Internet and time: As we all know there is nothing more important than instantaneousness when it comes to the Internet. Luxury however needs time. Therefore luxury brands have to find a way of utilising the Internet as a world of “slow time”. Videos that are long enough to communicate the brand's dream can be used for this purpose. A big advantage of the Internet is that it allows interactive communication, which is real communication and thus suitable for luxury (Kapferer, 2012).

Furthermore it is important to create ***brand content*** such as editorials and diffusing visual and auditory creative content about the whole world around a brand (heritage, mystery, secret life). It relies on the Internet capacity to diffuse information through social media. Presuming it is interesting, creative and entertaining. Hence, the idea of brand content is not comparable with advertising, as it is not directly generating sales intent. It is more an experience in itself – a gift made to its audience, with the hope of reciprocity – in term of sales – to occur later (Kapferer, 2012).

Make the brand denser through tales, stories and rumours: Another very important approach of luxury communication is to make the brand denser. In contrast to traditional

⁸ A group of internet-based applications that build on the ideological and technological foundations of web 2.0, and that allow the creation of User Generated Content. (Kaplan, 2010)

marketing, where communication tools aim at communicating their advantages over competitors' or at reducing a brand to a single promise, the luxury brand promises a whole universe with legends associated with the brand to establish a myth. Storytelling boosts word of mouth, and thus every luxury brand should have its very own story that people can talk about. Everything a brand does, should be related to the brand history, starting with its own product name, which should be highly meaningful within the brand universe (Espinoza, 2014; Kapferer, 2012).

In summary the following insights can be deduced from the above: In luxury it is about communication, not about advertising. However, if advertising, one should not make too much use of passive advertising tools (except for specific product categories). PR is at the heart of a luxury brand's communication. Luxury brands should make use of a great deal of event PR and cultural sponsorship, as long as it is coherent with the created brand universe. Stability of the aesthetics over time means constant repetition of a luxury brand's visual element, in order for the brand to be incomparable and immediately recognizable. Personalities in advertising should be used carefully and for the right categories. Rather use testimonials that prove the usage of a certain luxury product in their every day life. Building the social driver of desire by creating an exclusive circle to which a lot of people want to be part of, however only a few selected can be. Permanently encourage word of mouth by letting opinion leaders publish articles about the brand. Make good and vast use of the Internet and its social media by creating communities and co-creating with them. Make the brand denser through tales, stories and rumours that establish the myth.

5. Research

As the title of the underlying work project suggests, the aim of this work is to find out how to develop or adjust a communication strategy of a luxury brand that is associated with a luxury car brand, in order to increase its very own brand awareness. Thus we first conducted a

quantitative research to measure the brand awareness of PD in comparison to other male luxury brands among European luxury consumers. After that, a qualitative research – in form of in-depth-interviews – was conducted in order to deepen the analysis.

5.1. Methodology

5.1.1. Quantitative

Research design: Online survey, conclusive descriptive⁹ (Appendix 11)

Date: Between October 1st and October 31st 2015

Respondents and profile: Final number of respondents was 139. However only 100 persons were suitable due to the set filters: 1. Has lived in Europe for the last two years. 2. Has bought at least one luxury good in the last two years. 3. Both male and female

Gathering: Those respondents were gathered from social networks and forums

Aim: To measure brand awareness - both brand recall and brand recognition (in form of logo/icon recognition) of PD.

5.1.2. Qualitative

Research Design: Semi-structured exploratory qualitative in-depth face-to-face interviews (Appendix 12)

Date: Between November 5th and December 5th 2015

Respondents and profile: Respondents were divided into two groups. *First Group:* 10 persons complying with the following criteria: 1. Has bought at least one luxury product within the last two years. 2. Has been living in Europe the last two years. 3. Male

Second Group: 5 persons complying with all the criteria above plus: 4. Bought at least one PD product within the last two years.

Gathering: Those respondents were gathered from social networks and forums

Aim: To reveal insights and understand whether and how communication strategies are

⁹ Cross sectional design – Involves the collection of information from any given sample of population elements only once. In single cross-sectional designs, there is only one sample of respondents and information is obtained from this sample only once (Malhotra, 2012).

correlated to brand awareness. Furthermore understand what luxury customers actually expect from communications in luxury. Finally we relate recommendations on communication to our insights drawn from our literature review.

5.2. Main Findings

5.2.1. Brand Awareness

The level of brand recall was measured through the question: “*Which brands come to your mind when thinking of male luxury brands?*” Looking at the table in Appendix 13, we can clearly see that PD achieved the lowest score with 2%. Top of mind was Hugo Boss with 27%, followed by Armani and Ralph Laurent with 12%. Also the analysis of brand (logo/icon) recognition, in which the respondents were asked to tell us the brand name only by showing them the brand icon, revealed clear weaknesses for PD. While 93% of the respondents recognized correctly the icon of Armani and Louis Vuitton, only 18% recognized the icon of PD. As a matter of fact, we can say that PD came off the worst among the researched brands and we can thus infer that the brand awareness of PD is indeed low (Appendix 14).

5.2.2. Respondents’ behaviour towards luxury and communication

Purchasing behaviour: Out of the 15 interviewees, 13 buy luxury products in stores. However if they buy online, they do it only if they have “tried” the product beforehand in a store.

General information about luxury fashion brands: According to the respondents, important aspects of a luxury brand are: unique features, minimalistic design, timelessness, heritage and tradition, quality and craftsmanship. Consumers get information about fashion mainly through online channels (e.g. company homepage). Especially when it comes to informing about a certain product, they do an online research. Most used channels for information purposes are the brand’s homepage and Instagram.

Male luxury fashion advertising (MLFA): Feelings about MLFA are mixed. Some think it is boring, indifferent or rare compared to female advertising: “I pay attention to it when I see it by

coincident, but it is more attractive to look at female models” (♂, 35, Manager, German).¹⁰

Generally speaking there is no desire to see more MLFA as consumers mostly believe that they do not influence customer’s purchasing behaviour. Indeed people think, “too much advertising in luxury takes the exclusive part of the brand” (♂, 27, Lawyer/University Professor, Portuguese). If they had to choose where they would like to see the ads, they would choose high gloss magazines; at exclusive events; on the streets (i.e. bus/metro stations, advertising columns and walls); and in target-customer-group magazines (e.g. suit advertising in economic journals). Generally speaking, however, they are not completely indifferent to these advertising: “I feel more motivated and excited in buying a product that I like and that appears on the advertising campaign” (♂, 27, Lawyer/University Professor, Portuguese). Nevertheless they like to see the clothes on blogs or Instagram in order to see how they look on real people. On the other side there were interviewees that wouldn’t care at all about advertising, as they (the customers) “(...) usually don’t get fooled into believing something. I do not follow any trend.” (♂, 45, Hotel Manager, Italian). Consequently, even if any specific product is “passé”, they would still buy it, if they like it. Regarding the question whether they remember *advertisements that involved famous personalities* they especially remembered advertisements with people they like or with people that share the same passion (Italian National Football Team advertising Dolce Gabbana).

From the list below we can derive that there are more pros than cons regarding this issue:

Table Nr 1: Pros and cons of involving famous personalities in advertising

Pros	Cons
Attractor	Reduces the focus on the clothes
Widen media and public attention	They only do it to create media buzz
People like to copy style of their stars	
Brands like to show that stars like their brand	
It is good if they (they famous personalities) reflect the brand image	
Underlines the standing/image of the brand	
Communicates trust	

Source: Conducted in-depth-interviews

¹⁰ The terms in brackets refer to the following: ♂=male; 35=age; Manager=occupation; German=nationality.

PR and Events: All of the interviewees have already been invited to exclusive events of luxury brands. Invitations were often of high quality and personalized. Particularities of these events: They are in the stores or at special locations (e.g. race tracks); most times they involved invited stars; luxury food and drinks; product presentations. Regarding the question *what they think the purpose of the event was* they mentioned reasons like promotion of new products, CRM and customer retention purposes, increase of brand awareness, loyalty and inspiration. All of them felt a stronger linkage with the brand after having attended such an event. One of the interviewees' response to the question *if he felt more linked to the brand because of the event* was: "Yes, if it was well done, like drinking champagne, eating delicious food in a nice atmosphere, being surrounded by luxury products, meeting interesting and attractive people always leaves a very positive impact on the brand's image" (♂, 35, Manager, German).

The Internet and communication in fashion/luxury: The opinions on official homepages of brands are varying. On the one hand, homepages are perceived uninteresting and old from a technological perspective. On the other hand, an elaboration on homepages is apparent. However all of them agreed that they are only useful if they have an online shop. Aspects that ought to preferably be featured on such a homepage are videos of fashion shows, look books of collections, online shops with sizes, colors etc., big pictures, behind the scene videos related to materials, production, heritage etc., videos of the brand: "I like to question the history and heritage of the brand" (♂, 45, Hotel Manager, Italian).

5.2.3. Behaviour towards Porsche Design

This subsection gives an overview of the most relevant statements related to PD. The interviewees that have bought a PD item within the last two years got to know the brand by coincidence: "My dad had a PD perfume when I was little. I remember I was putting it on and swagger with it at school" (♂, 25, Business Student, German). Another interviewee stated: "I have been driving my

Porsche 911 for 8 years now, and I have to admit, that I only realized that Porsche was offering other products than cars when I ran past a PD store 4 years ago” (♂, 42, Bank director, Italian). With regards to the buying channel, the interviewed PD consumers would buy their products mainly online: “Well, to me actually it is important that the brand name is visible. There is not too much you can do wrong when buying a wallet via the online store. There are a lot of pictures available” (♂, 25, Business Student, German). Talking about product ranges, we can generalize the fact, that the interviewees couldn’t tell the full range of PD, and furthermore mixed up the ranges: “Of course there is the car Porsche, but than I know that there are also Porsche fragrances and even Porsche Bobby Cars” (♂, 30, Start Up CEO, Dutch). This statement perfectly underlines the confusion between the subsidiaries PD (Fragrance) and Drivers Selection (Bobby Car) and the parent company Porsche AG (Car). Another very interesting fact is that the interviewed PD consumers were not really interested in luxury fashion clothing and thus answered to the question of where they searched for information on fashion with: “I go to the store and buy what I like. I don’t really know a lot about fashion. I mean I like dressing well, but it doesn’t have to be the very last trend of an high-end brand” (♂, 30, Start Up CEO, Dutch). On the other hand we had responses like: “As I live in Milan, I am always surrounded by Fashion. I like to see pictures in magazines like Vogue. But I also like walking through the *Galleria* and getting inspired by the store windows” (♂, 42, Bank director, Italian). When asking: “*Do you remember any communication campaign of a luxury fashion brand that involved a famous personality*”, there was only one interviewee that mentioned a PD campaign: “Well, I love soccer and thus I know of course the campaign that Porsche did in collaboration with Adidas and Xabi Alonso (...)” (♂, 25, Business Student, German). When questioned about how he knew the campaign, the reply was the official Adidas homepage. Among the interviewed people, only one has been invited to exclusive luxury brand events: “Last year I was invited by the PD Store in Milan. We were offered free drinks and tasty food. Furthermore there was live music” (♂, 42, Bank director,

Italian). To the question whether he felt more connected to the brand he said: “Of course, I have become a huge Porsche fan and by seeing that Porsche cares about its customers it makes me become even more a fan” (♂, 42, Bank director, Italian). The final question, what they would like to add or suggest PD to do better or differently, interesting and relevant statements became apparent and are vital for this work project: “To me it is actually not really clear why they are using different logos for the different products. I mean, it is the same company, right?” (♂, 25, Business Student, German). This statement shows clearly the confusion between the parent company and the subsidiary. Another important statement is the following: “Yes, I think it is really confusing how this brand actually works. Especially now that you told me that the product range is so widespread. I kind of don’t get what they focus on” (♂, 30, Start Up CEO, Dutch). Chevalier and Mazzalovo (2012) clearly communicate this phenomenon:

“What does not make sense to people is unlikely to attract their attention and is even less likely to generate in them a desire to acquire that product.”

6. Discussion

The following section combines and presents in a structured way the main concepts luxury experts recommend, the main findings of the conducted research, and PD’s current communication strategy.

Table 2: Overview of the main principles drawn from literature review, main findings of the research and current communication strategy of Porsche Design

Luxury principles drawn from literature review	Main findings drawn from the research	Current communication strategy of Porsche Design
Communicate, don’t advertise!	<ul style="list-style-type: none"> The interviewed PD consumers were mainly not aware of the fact that PD was communicating on a regular basis 	<ul style="list-style-type: none"> PD communicates via different channels on a regular basis
Make smart use of passive advertising	<ul style="list-style-type: none"> Most interviewees don’t pay a lot of attention to ads. Especially not for male luxury brands. People would like to see luxury ads in high gloss magazines, exclusive events and OOH Interviewees feel more motivated about buying a product they like when it appears in advertising campaigns 	<ul style="list-style-type: none"> Use traditional print media advertising in high-gloss-, business-, and lifestyle magazines No TV-Spots, no radio, no OOH-advertising or other above the line advertising

A great deal of event PR and cultural sponsorship	<ul style="list-style-type: none"> Interviewees that were invited to events saw these as a way of increasing brand awareness, loyalty and inspiration 	<ul style="list-style-type: none"> Organizes store events for the purpose of design nights, openings, new product launches etc. No cultural sponsorship is made
Keep the aesthetics constantly stable	<ul style="list-style-type: none"> Interviewees mixed up the logos of the parent company and subsidiaries 	<ul style="list-style-type: none"> PD stands for timelessness and purist design. Both in their products and in their corporate identity.
Personalities in advertisings can in some cases be harmful	<ul style="list-style-type: none"> Generally speaking, all interviewees agreed to see personalities in advertising They especially remembered ads that involved personalities they liked personally (soccer Teams or singers) 	<ul style="list-style-type: none"> PD collaborates with famous personalities for their communication campaigns
Build the social driver of desire	<ul style="list-style-type: none"> “Being surrounded by luxury products, meeting interesting and attractive people always leaves a very positive impact (...)” 	<ul style="list-style-type: none"> There is no such “PD Club” (Member Club) However the exclusive events can be seen as a social driver of desire
Permanently encourage word of mouth	<ul style="list-style-type: none"> - 	<ul style="list-style-type: none"> There is no external opinion leader that implements word of mouth in advantage to PD
Profit from the growing internet and social media	<ul style="list-style-type: none"> Purchase of luxury goods mainly in stores Research on fashion is mainly done online Most used channels are the brand’s homepage and Instagram Luxury fashion products are bought online, if “tried” beforehand in a store A brand’s homepage should have an online shop 	<ul style="list-style-type: none"> PD is present in the most frequent online media channels Instagram is also used to show photos of celebrities wearing PD items A new homepage with brand new online shop and product pictures was launched in November 2015
Make the brand denser through tales, stories and rumours	<ul style="list-style-type: none"> Important “aspects” are among others heritage, tradition and craftsmanship PD consumers especially miss the link to the Porsche car 	<ul style="list-style-type: none"> Tradition and heritage are given through the tight connection to Ferdinand Alexander Porsche and his contemporary way to challenge tradition The homepage offers a variety of image movies that are connected to PD and its heritage

Source: Patrizio Iaquinandi, based on Section 3, 4, and 5 of this work project

This table is particularly important for the upcoming recommendation, as it clearly illustrates, in a structured way, fits and misfits between the columns. To be precise, recommendations in relation with a communication strategy for a luxury brand – that is associated with a car brand – and leads to increase in brand awareness. Looking at the table more precisely, and comparing the three columns, we can say that although PD is putting effort in communicating its brand through the different means, there are still improvements that can be done. Especially in regards of its (cultural) sponsorship, aesthetics, social driver of desire, word-of-mouth-activities, and efforts in making the brand denser through stories we can see that there are discordances between what luxury customers want and what they actually get from PD.

7. Recommendations

Based on the previous sections, we are now illustrating concrete recommendations on how to increase brand awareness of PD through effective ways of communication.

Before starting, however, we would like to highlight a fact that has been accompanying us throughout the whole project. We have seen that heritage and tradition play a central role in luxury. PD has always tried to stay independent from its roots, or rather from its parent company Porsche AG. However, it became clear that following the exact opposite strategy, and thus profit from the great power Porsche AG has, would result in a more successful approach. As a first and very important step, PD should reinforce the connection to Porsche AG by assimilating and embracing the logo. This also as a consequence of the low score achieved during the brand (logo/icon) recognition test.

Figure 2: (Fictive) elaboration of a new logo of Porsche Design



Source: Patrizio Iaquinandi. Logos provided by the company

The new logo should therefore combine both the Porsche AG icon in a more purist way and keep the lettering as it was. The result is a timeless logo that clearly communicates the connection to Porsche AG and the values of PD, which are once again: timelessness, purism and high quality. Another key aspect of the suggested strategy consists in nominating a face that is connected to racing and associated with a contemporary and cool aura. As PD has already been working with Marc Webber and as he meets the above mentioned criteria, he would be a perfect fit. Consequently he should not only appear in certain communication

campaigns, but rather be involved in different PR activities and other communication efforts.

Advertising: Although Kapferer recommends to only do little on (passive) traditional media advertising, the interviewees do not seem reluctant to printed advertising. Thus, PD should continue running advertisements for the product categories fragrance, luggage, watches and eyewear in European male lifestyle-, health- and business magazines, hotel- and in-flight magazines, and architecture/art/design magazines. These advertisements should be accompanied by slogans that relate to the Porsche car or even show details of the car. Examples can be found in Appendix 15. Furthermore Out-Of-Home advertising is favourable especially for the product category luggage. Consequently we suggest advertisements – in terms of billboards and banners – in the main airports around Europe. As the main objective of this project is to increase brand awareness, the different fragrances of PD should be advertised through TV. By doing so PD makes sure to reach out to as many people as possible. What is more, PD has still various alternatives to optimize in relation with online advertising. Heritage, tradition and myths play, as discussed earlier, a very important role. Therefore, video footage of the history, “making of”, fashion shows or a look “behind the scene” should be made available on either a very own YouTube channel or on the brand’s homepage. These are the correct ways of creating the discussed dream. Social media has gained in significance also in luxury. For this reason, PD should continue pursuing these channels by actively engaging its admirers. Through the use of aspirational photos and articles, which people are sharing willingly, brand awareness will be increased.

Promotion: Promotion in luxury should not be understood in terms of discounts but rather in terms of exclusive treatment for existing customers. Accordingly PD should create an exclusive PD Club, to which only customers who have acquired a PD article have access. This club would offer a sneak peak of new products with the chance to pre-order these or also special promotions related to seasonal festivities, exclusively for the PD Club member. Furthermore,

PD should launch contests in which existing customers get the opportunity to actively participate. Examples are to launch an Instagram contest in which people are asked to execute a certain task with the hash tag #porschedesign. Another way of engaging customers and acquire new ones – by simultaneously increasing awareness – is to offer incentives to existing club members to recruit new ones. For all this contests and incentives, existing customers could be rewarded by for example giving them the opportunity to win a weekend test drive with the newest Porsche. Regarding retailers we suggest to have the PD products in close proximity to Porsche Cars, hence benefiting from synergistic effects. Thus, PD should create a store-in-store concept. This would involve the instalment of a PD corner in Porsche retailer around Europe.

Public Relations: As we have seen from the literature review, public relations are at the very heart of luxury communication. Hence every luxury brand should put as much effort as possible into it. Publishing press releases on a regular basis is key. Here however, it is important to not only make them publish in the above mentioned magazines, but also in magazines that are related to sport cars (e.g. Porsche Times). As a result, Porsche car enthusiasts become aware of PD and its range of products. Another way of profiting from good PR is making sure that reviews written by opinion leaders and experts get released in important magazines and newspapers. It creates the highly desired “buzz” a brand needs and naturally initiates an increased word-of-mouth advertising, which leads to a growth in brand awareness. Other influential personalities are Bloggers. They have to be recognized by PD as essential element for the dissemination of opinions about the brand.

Events and Sponsorship: Following the example of Luis Vuitton to sponsor the *Louis Vuitton Cup* or Hermès sponsoring the *Grand Prix de Diane*, PD should think of sponsoring events like the 24 hours car race of Le Mans, at which Porsche is often participating with more than 5 racing cars. Regarding events, we have seen that PD is already putting a lot of effort into offering them to selected customers.

8. Conclusion

To sum up we can say that to create brand awareness, visibility is very important. Luxury brands should however try to attain high visibility without over exposure. So to say, place the brand to be seen, heard and thought about by the right people with the aim of registering the brand in their memory (Okonkwo, 2012). The best way for PD to achieve this aim is to find its way back to its roots and communicate clearly – as mentioned above – its relation to Porsche AG and profit from the great level of awareness Porsche AG has in Europe.

As a final step and following the above mentioned recommendations, we suggest PD to adjust its Positioning Statement as follows:

For connoisseurs of engineered luxury (Target), the Porsche subsidiary PD is a luxury brand for men (Frame of reference) that offers a wide range of innovative and iconic complements to the eponymous sports car (Point of difference), being still produced and designed with an everlasting lifework and philosophy of its founder and designer of the Porsche 911 Professor Ferdinand Alexander Porsche (Reason to believe).

9. Limitations

The limitations of this work project were mainly related to the difficulty of finding suitable interviewees for the in-depth interviews. Given the fact that I was not allowed to contact customers PD has in its data base, it was particularly difficult to find more than 5 persons that bough a PD article within the last 2 years. Consequently the underlying work project and its findings are only based on the conducted research and are not generally representative. Another limitation was the discordance between some experts regarding concepts of luxury communication. In case of doubt, Kapferers' reasoning was given preference to. Also – as already discussed in 4.1 – the actual recognition of PD being a luxury brand, is very subjective.

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